



## **Board of Directors**

**May 9, 2018**

**Board Meeting Minutes**

**June 13, 2018**



# *Louisiana Housing Corporation*

**\*A verbatim transcript as well as an audio recording of these proceedings is available upon request by contacting the LHC\***

**LHC Board of Directors**

**Board Meeting Minutes**

**Wednesday, May 9, 2018**

**2415 Quail Drive  
V. Jean Butler Board Room  
Baton Rouge, LA 70808  
10:00 A.M.**

## **Board Members Present**

Lloyd S. "Buddy" Spillers  
Jennifer Vidrine  
Tammy P. Earles  
Derrick Edwards  
Ron Henson (obo Treasurer John M. Schroder)  
Byron L. Lee  
Willie Rack  
Donald B. Vallee

## **Board Members Absent**

Larry Ferdinand  
Gillis R. Windham

## **Staff Present**

Barry E. Brooks  
Edselle Keith Cunningham, Jr.  
Bradley Sweazy  
Jessica Guinn  
Leslie C. Strahan

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Terrell Dupard  
Miriam Bowie  
Aimee LeBlanc  
Kevin Brady  
Natasha Anderson  
Na'Tisha Natt  
Robby Bizot  
Louis Russell  
Cassandra Davis  
Carlos Dickerson  
John Ampim  
Lauren Hartley Holmes

**Others Present**

See Guest Sign-In Sheet

**CALL TO ORDER**

Board Chairman Lloyd S. "Buddy" Spillers called the meeting to order at 10:15 A.M. Board Secretary Barry E. Brooks called the roll; there was a quorum.

**APPROVAL OF MINUTES**

Next item discussed was the April 11, 2018 Board Meeting Minutes.

**On a motion by Board Vice-Chairwoman Jennifer Vidrine and seconded by Board Member Willie Rack, the Minutes of the April 11, 2018 LHC Board of Directors Meeting were unanimously approved.**

Next item discussed was the April 23, 2018 Special Board Meeting Minutes.

**On a motion by Board Vice-Chairwoman Jennifer Vidrine and seconded by Board Member Derrick Edwards, the Minutes of the April 23, 2018 Special Board Meeting were unanimously approved.**

**BOARD CHAIRMAN'S REPORT**

Chairman Spillers recognized the attendance of former LHC Board Members Michael Airhart and Willie Spears, as well as former LHC Executive Director Fred Tombar.

## **EXECUTIVE DIRECTOR'S REPORT**

LHC Executive Director E. Keith Cunningham, Jr. distributed his detailed Executive Director's Report to the Board to review at their leisure; and briefly discuss NOAH and CHAAP, as well as the upcoming State Employees' Appreciation Week.

### **AGENDA ITEM #7**

LHC Human Resources Director Kevin Brady introduced the resolution recognizing May 14 – 18, 2018 as LHC Employee Recognition Week ("ERW").

Mr. Brady advised the Board that the current LHC FTE was 122; that there had been 18 separations (a 17% turnover rate), four (4) internal promotions, six (6) upwards, and that 75% of LHC employees had received merit increases subject to having been employed with LHC for at least the past two (2) years. Additionally, that all classified positions had been updated, that HR was looking at adding a vision plan and other group benefit enhancements, that HR was working in conjunction with CPTP on internal trainings for LHC employees as well as Leadership and Executive Teams trainings, and he discussed the activities and events planned for LHC Employee Recognition Week.

Board Member Vallee requested the current LHC Organizational Chart, job descriptions, salaries, and dates of promotions.

Board Member offered an amendment the pending Resolution that former employees (in particular, recent retirees) would also be recognized during the ERW activities. His amendment FAILED for lack of a second.

**On a motion by Board Member Donald B. Vallee and seconded by Board Member Byron L. Lee, the resolution recognizing May 14 through May 18, 2018 as LHC Employee Recognition Week to spotlight the contributions LHC employees make in the workplace, in our communities, and to the citizens of our state; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.**

### **AGENDA ITEM #7**

The next item discussed was the resolution regarding June 2018 as being Homeownership Month.

LHC Executive Director E. Keith Cunningham, Jr. briefly went over the specifics of the matter, as planned activities related thereof.

**On a motion by Board Member Byron L. Lee and seconded by Board Vice-Chairwoman Jennifer Vidrine, the resolution to authorize and direct the Single Family Staff of Louisiana Housing Corporation (“Corporation”) to participate in June 2018 Homeownership Month; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.**

#### **AGENDA ITEM #8**

Next item discussed was the Notice of Funding Availability (“NOFA”) for the Louisiana State Emergency Solutions Grants (“ESG”) funds.

Ms. Aimee LeBlanc with the Louisiana Housing Authority introduced the item and went over the specifics of the matter.

Board Member Vallee requested the list of selected providers, what service(s) were provided, and the criteria for selection of the providers.

**On a motion by Board Member Donald Vallee and seconded by Board Vice-Chairwoman Jennifer Vidrine, the resolution authorizing the Louisiana Housing Corporation (“LHC” or “Corporation”) to issue a Notice of Funding Availability (“NOFA”) for the Louisiana State Emergency Solutions Grant funds in the amount of \$2,298,246; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.**

#### **AGENDA ITEM #9**

Next item discussed was the matter regarding \$4.5M MHRB for Lafitte 2017 Project.

LHC Executive Management Officer Louis Russell went over the specifics of the matter.

**On a motion by Board Member Donald B. Vallee and seconded by Board Vice-Chairwoman Jennifer Vidrine, the resolution accepting the proposal of Home Bank or such other purchaser as may be designated by the Taxpayer for the purchase of not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) Multifamily Housing Revenue Bonds for Lafitte 2017 Project, (multiple addresses located in New Orleans, Orleans Parish, Louisiana) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.**

**AGENDA ITEM #10**

Next item discussed was regarding Multifamily Housing Governmental Notes related to Briarwood Apartments and Barton Drive Manor.

Mr. Russell briefly went over the specifics of the matter.

Board Chairman Spillers noted "...Just for the Record, this is a Choice Neighborhood Project."

**On a motion by Board Member Donald B. Vallee and seconded by Board Member Byron L. Lee, the resolution supplementing and ratifying the approval of Multifamily Housing Governmental Notes to finance the acquisition, rehabilitation and equipping of Briarwood Apartments and Barton Drive Manor, (located at 4223 Greenbriar Drive, Shreveport, Caddo Parish, Louisiana) and Barton Drive Manor, (located at 1625 Barton Drive, Shreveport, Caddo Parish, Louisiana); and providing authorization for the issuance of not to exceed \$8,500,000 of such Notes; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.**

**AGENDA ITEM #11**

Next item discussed was regarding Carryover Allocation Documentation.

Mr. Russell briefly went over the specifics of the matter, noting it would be a ninety (90) days extension, and was being recommended due to recent federal tax relief legislation as well as various project closing delays.

Board Member Vallee requested that for any future similar requests that the Board be provided with a list of the affected projects.

**On a motion by Board Member Donald B. Vallee and seconded by Board Vice-Chairwoman Jennifer Vidrine, the resolution authorizing to extend the deadline from June 29, 2018 to September 28, 2018 to submit Carryover Allocation Documentation evidencing that the 10% Expenditure Test has been met as stipulated in the 2017 Qualified Allocation Plan ("QAP") with respect to projects awarded under such QAP; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.**

**AGENDA ITEM #12**

Next item discussed was the approval of the Louisiana Weatherization Assistance Program ("WAP") Year 2018 State Plan.

LHC Housing Deputy Administrator Lauren Hartley Holmes went over the specifics of the matter.

Board Member Vallee requested that expenditures be closely monitored to ensure full utilization of any available funds.

Ms. Holmes advised that funds are monitored monthly and "...that there is proper notice that the funds are spent prior to the expiration date."

Board Member Vallee inquired as to whether providers were being properly trained.

Ms. Holmes that a technical training program was being established for the next six (6) months; and that an RFP for a training schedule vendor was in progress; and that there would be future trainings meetings being planned with the subgrantees.

Board Member Vallee inquired as to whether the Industriplex Building could be sold.

Executive Director Cunningham advised that such was not currently being explored, and that LHC was in dialogue with LWC to ascertain ways to more fully utilize the WAP training facility.

**On a motion by Board Vice-Chairwoman Jennifer Vidrine and seconded by Board Member Willie Rack, the resolution approving and accepting the Louisiana Approving and accepting the Louisiana Weatherization Assistance Program Year 2018 State Plan (labeled as "Exhibit A"); and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.**

**AGENDA ITEM #13**

Next item discussed was the resolution authorizing a Revolving Loan Fund ("RLF") for the LHC WAP.

Executive Director Cunningham went over the specifics of the matter, noting that the goal was to minimize delays in payments to CAPs; that the past process of advancing funds is not very efficient; and that the Department of Energy had authorized the RLF.

Board Member Vallee inquired as to what was the loan maximum amount. ED Cunningham advised that \$100K was the anticipated cap, but that such was being further discussed and evaluated.

Board Chairman Spillers noted for the record his support of the RLF.

Board Member Vallee stated "...I just want to make sure that we have some kind of instrumentality in this thing that we are going to get out money and somebody is obligated to pay it and on what terms."

Ed Cunningham replied "...We will definitely have agreements that define the roles and responsibilities and assure repayment".

Board Vice-Chairwoman Vidrine noted for the Record her support of the RLF, stating "...I think it's great and it won't impede the implementation of the programs for the CAPs at that level because any hardship that we can alleviate from them is a good thing".

**On a motion by Board Member Donald B. Vallee and seconded by Board Vice-Chairwoman Jennifer Vidrine, the resolution authorizing a Revolving Loan Fund for the LHC Weatherization Assistance Program ("WAP"); and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.**

Board Chairman Spillers advised that he wished to change the order of matters on the Agenda and proceed next with Agenda Item #15 instead of #14.

**On a motion by Board Vice-Chairwoman Jennifer Vidrine and seconded by Board Member Derrick Edwards, the Board approved amending the Agenda so as to provide for discussing Agenda Item 15 prior to Agenda Item #14; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed with one (1) NO Vote from Board Member Donald B. Vallee.**

#### **AGENDA ITEM #15**

Administrative and Finance Committee ("AFC") Chairman Willie Rack advised that he would like to schedule an AFC Meeting for May 31<sup>st</sup> to discuss the LHC Fiscal Year 2018-2019 Operating Budget.

Board Member Vallee requested "...Willie, if I could, I would like to in advance of that meeting give you some suggestions on what we used to receive and what we used to review for Keith so they can produce it and have it as the meeting if you don't mind".

AFC Chairman Rack replied "...That's fine."

Board Member Vallee furthered "...And, Keith, I'll get with you. I'd really like to meet your new financial officer and make sure he's included in it and he's up to date and give him some suggestions what we looked on the past. We definitely need to look at our operations. I don't need you to do it now, but I'm glad you're on board by the way. You come very highly recommended."

Next, LHC Chief Operating Officer Bradly Sweazy did a PowerPoint presentation (available upon request) related to the specifics of the LHC Fiscal Year 2018-2019 Operating Budget.

Among the topics, but not limited to, Mr. Sweazy discussed were FY 19 Budget Approach, Manage Like a Business, FY Budget Resources, Control Expenses, Federal Admin Fees, FY 19 Budget Method, LHC Indirect Rate, FY 19 Performance Budget, and FY 19 Budget Summary.

Board Vice-Chairwoman Vidrine and AFC Chairman Rack complimented staff on the dramatic decrease in reducing indirect costs; especially given that LHC was administering \$6.5B in fund on an administrative budget of \$18.5M.

Board Member Vallee noted "...In the budget though, you know, I'm a number guy. I like to see number in front of me. I like to compare them and look at measuring the performance...." He requested that he'd like to see how programs will be managed, how did indirect costs get reduced so quickly, the past five (5) years of revenues and funding sources, and what the future plans are for increasing revenues.

AFC Chairman Rack noted that the FY 19 Operating Budget would be discussed in more details during the upcoming AFC Meeting being scheduled.

Board Member Ron Henson requested clarity on the FY 19 Operating Budget approval timetable. He also requested more details be provided as related to building expenses, supplies, LHC Housing Conference, vehicles, and professional services.

Board Member Valle requested a review of the LHC properties at the upcoming AFC meeting.

#### **AGENDA ITEM #14**

Next item discussed was regarding material changes to Hopeville Apartments.

Ms. Verlyn Foley addressed the Board regarding the matter, noting her previous experience in affordable housing developments, and that her request was for a reduction.

from 40 units to 28 units. She also discussed the problems the project encountered related to NIMBYism, and that development costs were also affected by the Baton Rouge floods as well as the federal tax code changes. And, that she was not requesting additional funds or tax credits.

Board Member Lee inquired as to what was LHC's recommendation in the matter.

COO Sweazy noted "...We're not recommending it. That's why you don't see it as a resolution and recommendation by the staff. The main reason is keeping the credits and reducing the number of units and such a great volume, almost a 30% reduction in the number of units. She mentioned that they had closed, they had closed and they started construction so that we didn't offer the value of the credits to those properties because they had already closed and locked everything in. As so from our point of view, it would set a precedent if we do this and we're at no risk right now. It's all on her."

Board Member Earles inquired "...Is this a structure that already existed?"

Ms. Foley replied that it was a rehab project; and was similar to the previous approval given by the Board to Bastion II.

COO Sweazy thereafter differentiated the differences between the Bastion II project to the Hopeville Apartments development.

Board Member Earles inquired as to what would happen to the unused spaces from the reduction in units.

Ms. Foley noted such would be used for student housing by the City.

Ms. Foley discussed the unforeseen scope of construction requests she'd received from the City.

Board Member Vallee inquired as to what would happen to the project if her request(s) was not approved by the Board.

Ms. Foley replied that most likely the syndicator would not continue to fund the project.

ED Cunningham and EMO Russell advised the Board that the QAP does cover issues related to NIMBYism.

Board Chairman Spillers noted that he was not supportive of the request, noting the aspects of the competitive awards process, and that he did not think the request was the same as one previously approved by the Board as related to Bastion II.

Board Chairman Spillers noted for the record that neither the LHC nor the Board support any aspects of NIMBYism.

Ms. Foley stressed that she earnestly wants to move forward with the project, but can't if the units are not reduced.

Board Member Henson noted that he supports the request if there were unforeseen additional requirements encountered by the project that affected what was originally bid for.

Mr. Russell and ED Cunningham reiterated that NIMBYism is addressed in the QAP if a project is adversely affected by such.

There were further extensive and lengthy discussions on the matter between the Board Members, Ms. Foley, and LHC staff (verbatim transcript is available upon request).

Ms. Kelly Longwell representing LAAHP, noted "...Originally on the Bastion deal we warned the Board it's a bad precedent you were setting and we want to lodge it again. This is a bad precedent you're setting going back and restricting the deal after the fact."

Board Chairman Spillers and Board Vice-Chairwoman Vidrine noted that they might be persuaded to support the project, but only if the units remained at 40.

Ms. Foley that project was already "...out \$570K. Plus the additional costs that was added due to NIMBYism..."

Mr. Keith Williams with Expert Managing and Construction Services from Prairieville addressed the Board. He discussed new construction aspects of the development, and change of scope by the City.

Mr. Charles Tate passionately discussed the effects of NIMBYism on communities, and noted that he supports the project.

There were additional further extensive and lengthy discussions on the matter between the Board Members, Ms. Foley, and LHC staff (verbatim transcript is available upon request).

Mr. Willie Spears addressed the Board and suggested looking at Subordinate Note, etc. to ascertain some additional fundings to cover the development's shortfalls.

Mr. Fred Tombar addressed the Board and discussed the impact of the project's various unforeseen circumstances that resulted in delays and additional costs; he noted the many positive aspects of approving the material changes; and that "...justice delayed is justice denied"; he discussed the Administrative Procedures Act and the effects of the Board setting a precedent to stand up to NIMBYism in Louisiana.

Ms. Longwell addressed the Board and reiterated that LAAHP did not support the request from Bastion, and therefor was not supporting the Hopeville Apartments request.

**On a motion by Board Member Ron Henson and seconded by Board Member Derrick Edwards, the Board directed staff to meet with Ms. Foley and return back to the June 13<sup>th</sup> Board Meeting with a recommendation regarding the Hopeville Apartments material changes request; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed unanimously.**

#### **AGENDA ITEM #16– EXECUTIVE SESSION**

**Board Vice-Chairwoman Jennifer Vidrine moved that pursuant to La. R.S. 42:17(A)(1), the Board enter into Executive Session:**

*The purpose for the executive session is **pursuant to La. R.S. 42:17(A)(1), to discuss the character and professional competence of a person regarding the performance appraisal and evaluation of LHC Executive Director E. Keith Cunningham, Jr. from January 1, 2017 – September 30, 2017.***

**The motion to enter into Executive Session was seconded by Board Member Willie Rack.**

Board Member Vallee noted that he did support going into Executive Session since he was opposed to giving Executive Director Cunningham a raise given the current financial situation of the state.

LHC Executive Counsel Jessica Guinn noted for the Record "...Just a point of clarification. The contract requires that the performance appraisal be done in executive session and that's the purpose of number 16. Any decision that you make after that has to be made on the Record. But the contract, employment contract, does require it be conducted in executive session, that the Chair must present the appraisal to the Board in executive session.

**There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed with one (1) NO Vote from Board Member Donald B. Vallee.**

**The Board entered into Executive Session at 12:38 p.m.**

**On a motion by Board Member Willie Rack and seconded by Board Vice-Chairwoman Jennifer Vidrine, the Board exited Executive Session at 1:14 p.m.**

**AGENDA ITEM #17**

Next item discussed was the resolution authorizing a salary increase for LHC Executive Director Cunningham.

**On a motion by Board Vice-Chairwoman Jennifer Vidrine and seconded by Board Members Derrick Edwards and Willie Rack, the resolution authorizing a salary increase for LHC Executive Director Edselle Keith Cunningham, Jr. based on meritorious service; and providing for other matters in connection therewith, was moved to debate. There being no further discussion, opposition, or public comment, a vote was taken, and the motion passed with two (1) NO Votes (Board Member Donald B. Vallee and Board Member Ron Henson).**

**OTHER BUSINESS**

None.

**ADJOURNMENT**

There being no other matters to discuss, Board Member Donald B. Vallee offered a motion for adjournment that was seconded by Board Member Vice-Chairwoman Jennifer Vidrine. There being no discussion or opposition, the motion passed unanimously.

**The Full Board meeting adjourned at 1:16 p.m.**

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**Chairman**

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**Secretary**